

1 distance, the longer time it would take to make a
2 decision, I would say, but --

3 Q. I guess the point I'm trying to make is
4 your basic tools would be a telephone, a fax
5 machine and Fed Ex, is that correct?

6 A. That's true, yes.

7 MR. REIDELER: Joe?

8 MR. WEBER: Nothing on policy, on day
9 to day.

10 BY MR. REIDELER:

11 Q. I would like to go into some personnel
12 matters now concerning the system. Is it correct
13 that Ellis Thompson Corporation has no employees
14 in Atlantic City?

15 A. That's true.

16 Q. And all personnel are provided by
17 Amcell or Comcast, is that correct?

18 A. Would you rephrase that?

19 Q. Are all of the personnel at the
20 facilities, that run the Ellis Thompson system,
21 both management and technical and sales and
22 administerial and what have you, they are all
23 provided by Amcell, is that correct?

24 A. Yes.

25 Q. And was it your choice that it be

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1 arranged this way?

2 A. Yes, my choice.

3 Q. And could Amcell have provided its
4 management expertise without using its own
5 people? In other words, could you have supplied
6 your own people and then relied on Amcell still
7 for management expertise?

8 A. I suppose that would have been a
9 possibility but it would have been awkward and
10 hard to put a team together.

11 Q. So you feel that the choice you made
12 was the wisest choice?

13 A. Oh, definitely, yes.

14 Q. And again, I believe you said you had
15 been content with the Amcell's management?

16 A. They have been very competent and
17 satisfactory.

18 Q. You've been satisfied with all the
19 personnel they've provided?

20 A. Yes.

21 Q. And I take it you haven't had any cause
22 to voice any dissatisfaction with this
23 arrangement or with these particular people?

24 A. No, I don't recall any dissatisfaction.

25 Q. Are you advised when personnel serving

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1 on behalf of the Ellis Thompson Corporation are
2 about to be changed?

3 A. There again, I would like for you to
4 ask me that again.

5 Q. Well, assume that Amcell decided that
6 they wanted to change who the general manager was
7 of the Atlantic City system. Would they say,
8 Mr. Thompson, I think we would like to have Joe
9 come in this rather than Bob or would they just
10 do it and then advise you later?

11 A. They would have the authority to make
12 those changes without any input from me.

13 Q. Have they made these changes without
14 input from you?

15 A. They've had different presidents, for
16 instance, without asking me about changing.

17 Q. Have you ever been troubled by any of
18 these changes?

19 A. No.

20 MR. REIDELER: Joe?

21 EXAMINATION BY COUNSEL FOR

22 FEDERAL COMMUNICATIONS COMMISSION

23 BY MR. WEBER:

24 Q. You just mentioned that they've had
25 different presidents without input from you.

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1 However, these presidents are presidents of
2 Comcast, correct?

3 A. Yes.

4 Q. And Comcast manages more systems other
5 than the Atlantic City system, is that correct?

6 A. I understand they do, yes.

7 Q. Do you know who Anna Hillman is?

8 A. Yes, I do.

9 Q. And who is Ms. Hillman?

10 A. She is the controller for Comcast in
11 the finance department.

12 Q. Do you know who Dominique Villecco is?

13 A. Yes, I do.

14 Q. Who is he?

15 A. He is the vice president of engineering
16 in Comcast.

17 Q. Do you know who Charles Moir is?

18 A. Yes, I do.

19 Q. Who is he?

20 A. He's the manager of the Atlantic City
21 office. Not Atlantic City, Wilmington office for
22 us.

23 Q. Do you know who John Moerman is?

24 A. Wait a minute. Let's back up there.

25 Would you rephrase that prior question?

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1 Q. Charles Moir.

2 A. I got the name Moir and Moerman mixed
3 up so I'm not too familiar -- is that spelled
4 M-o-i-r?

5 Q. Yes, sir.

6 A. That name has come to my attention but
7 I can't tell you much about who he is. Moerman
8 is the -- John Moerman is the manager of the
9 Wilmington office.

10 Q. And all these people also occasionally
11 will do some work relating to the Atlantic City
12 facilities?

13 A. Yes.

14 Q. And you have always been pleased with
15 their work?

16 A. Yes.

17 Q. But they also all do work relating to
18 systems other than Atlantic City, to your
19 knowledge?

20 A. To my knowledge, they do, yes.

21 Q. Is there one person who you would say
22 is in charge of the management over the Atlantic
23 City system at Comcast?

24 A. You mean a person that has the most to
25 do with management of the ETC, Atlantic City

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1 system?

2 Q. Yes, sir.

3 A. I would think there are several people
4 that are engaged in the management of the
5 system. I would think that Anna Hillman would
6 probably be the primary person because she is in
7 charge of the financial end of it.

8 Q. Have you ever had conversations
9 directly with Ms. Hillman?

10 A. Yes.

11 Q. How often would you say this occurs?

12 A. She's invariably there at our quarterly
13 meetings, budget meetings and she has been to my
14 attorney's office in Portland, Oregon at least
15 once that I remember. And I've always conversed
16 with her on those occasions.

17 Q. To your knowledge does Ms. Hillman
18 understand that control ultimately falls into
19 your hands while Comcast is merely a manager?

20 A. Yes, she definitely understands that.

21 Q. And why do you say she definitely
22 understands that?

23 A. Well, because she is the one that
24 presents the budget at our meetings and there has
25 been no indication that she doesn't understand

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1 the fact that I am definitely in control of the
2 Atlantic City system.

3 MR. WEBER: That's all I have on
4 personnel matters.

5 EXAMINATION BY COUNSEL FOR
6 FEDERAL COMMUNICATIONS COMMISSION
7 BY MR. REIDELER:

8 Q. You have no doubt about who the
9 controller is, is that correct?

10 A. That's true.

11 Q. Mr. Thompson, am I correct in assuming
12 that it's Ellis Thompson Corporation's
13 responsibility to finance and construct or
14 finance, construct and operate the Atlantic City
15 system?

16 A. That's been my responsibility.

17 Q. And that's your responsibility as
18 president and sole shareholder so it's your
19 personal responsibility as well, is that correct?

20 A. That's true.

21 Q. And did you arrange the financing for
22 the station?

23 A. Yes, it was arranged by me and my
24 attorney, David Lokting.

25 Q. And was this with Provident National

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1 Bank?

2 A. Yes.

3 Q. And the loan that Ellis Thompson
4 Corporation has with the bank, is it secured by
5 the corporation's assets?

6 A. The collateral for the loan is the
7 Atlantic City system, yes.

8 Q. And is your stock pledged as well?

9 A. Yes.

10 Q. Now, have you received any financial
11 support from either Amcell or Comcast with regard
12 to the Atlantic City system?

13 A. No.

14 Q. Anybody else?

15 A. Nobody.

16 Q. Going back to the lottery, were you a
17 member of a settlement agreement when you won
18 this lottery?

19 A. I don't definitely remember the details
20 of being a member of the alliance. I believe
21 that occurred after I won the lottery. That's
22 kind of a gray area. It may be that I joined up
23 in the alliance prior to winning. That's
24 probably what happened, yes.

25 Q. So when you won the lottery, there were

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1 other parties that held a piece of the action, is
2 that correct?

3 A. That's true, yes.

4 Q. And I presume there was some sort of
5 contract you had with these people, is that
6 correct?

7 A. Well, yes, it was a -- they called it
8 an alliance and it was -- you might say it was a
9 contract.

10 Q. Are the members of this alliance
11 legally entitled to any proceeds from the
12 operation or sale of the Atlantic City system?

13 A. I don't believe they would be entitled
14 to anything that I received if I was to sell the
15 Atlantic City system, no.

16 Q. Yesterday, during the deposition of
17 Mr. Lokting, we brought up a fact that you want
18 to make a disbursement of \$400,000 to members of
19 a settlement group. Do you recall that?

20 A. Yes.

21 Q. And could you tell us why you felt you
22 had to make this disbursement?

23 A. I didn't feel I had to do it. It just
24 seemed that so much time went by and the system
25 was generating quite a large amount of revenue,

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1 Q. What type of review are these checks
2 given?

3 A. Well, I sit myself down and analyze
4 them and determine who they're to and for what
5 and if it's all feasible and well and good, I put
6 my signature on them.

7 Q. Have you ever had to question Comcast
8 about the appropriateness of any expense?

9 A. Well, there has been a couple of times
10 when I have questioned that, yes.

11 Q. Have you ever refused to sign a check?

12 A. No. They've always managed to explain
13 the feasibility of them and after my perusal of
14 them, I sign all that have been sent out there.

15 Q. Do you make sure that the expenses are
16 within budget?

17 A. Yes, I do.

18 Q. Has there come a time where expenses
19 exceeded budget?

20 A. Yes, there has been occasion when
21 that's happened.

22 Q. What happens on that occasion?

23 A. If the budget is exceeded, Anna Hillman
24 has to iron the thing out and make the proper
25 adjustments.

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1 Q. Final approval would rest on you or on
2 Anna Hillman?

3 A. The final approval would rest with me.

4 MR. WEBER: That's all I have with
5 financial.

6 EXAMINATION BY COUNSEL FOR
7 FEDERAL COMMUNICATIONS COMMISSION
8 BY MR. REIDELER:

9 Q. Mr. Thompson, all the revenues from the
10 system, do they go into accounts that are
11 controlled by you?

12 A. Yes.

13 Q. And do you receive a salary from the
14 Ellis Thompson Corporation?

15 A. Yes, I do.

16 Q. And is it paid by Comcast or Amcell?

17 A. It's paid from the funds of the system.

18 Q. In other words, it's paid by Ellis
19 Thompson Corporation?

20 A. Right.

21 Q. Not from Amcell or Comcast?

22 A. No.

23 Q. And who determines what your salary
24 will be?

25 A. I do.

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1 Q. And who determines when you'll receive
2 your salary?

3 A. I do.

4 Q. And who determines what you'll have to
5 do for your salary?

6 A. I do.

7 MR. REIDELER: Thank you. Joe?

8 MR. WEBER: No questions.

9 BY MR. REIDELER:

10 Q. I just have a few just to wrap it up
11 here and I'll be done.

12 A. Okay.

13 Q. Litigation aside, just put that all
14 aside, have you generally enjoyed running the
15 system?

16 A. Yes.

17 Q. Do you find it interesting?

18 A. It's very interesting.

19 Q. And do you like to keep abreast of
20 what's happening in the cellular industry?

21 A. Oh, yes. I read every article that I
22 come across as to what's going on.

23 Q. And I take it by doing this, you're
24 striving to make your system a financial success
25 as well as a technical success?

1 A. Definitely.

2 MR. REIDELER: Thank you, Mr. Thompson,
3 for your time. I have no further questions.

4 THE WITNESS: You're welcome. I'm glad
5 to satisfy the --

6 MR. LARSON: I have just a couple of
7 questions but could we take a break quick and
8 come back?

9 MR. REIDELER: That would be fine.

10 MR. WEBER: Sure.

11 (Recess.)

12 EXAMINATION BY COUNSEL FOR

13 ELLIS THOMPSON CORPORATION

14 BY MR. LARSON:

15 Q. Mr. Thompson, Mr. Reideler was asking
16 you some questions about when you applied or
17 submitted your application. What did you pay
18 when you submitted your application?

19 A. The application cost \$10,000.

20 Q. And was that all your own money?

21 A. That was my own money.

22 Q. Did you have any partners in the
23 application?

24 A. None, no.

25 Q. And at the time you submitted your

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1 application, did you know of Amcell?

2 A. No, I didn't.

3 Q. Now, Mr. Reideler asked you some
4 questions about rates and whether you ever
5 differed on the roamer rates or customer rates.
6 Are you aware whether you have the same or
7 different rates for roamer rates than Comcast?

8 A. For the most part, they are different,
9 yes.

10 Q. And for customer rates, do you know if
11 you have some different customer rates than
12 Comcast has?

13 A. They vary also.

14 Q. And did Comcast ever propose to you
15 that you reduce the roamer rate for an
16 area -- for another system, rather, and you have
17 refused?

18 A. That's true.

19 Q. Mr. Reideler asked you some questions
20 about purchasing switch services from Amcell and
21 you said that was the best way to go. Why did
22 you think that was the best way to go?

23 A. Primarily because of the cost of a new
24 switch. To have our own switch would have
25 been -- the cost of it would have been more than

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1 the system would have been able to cope with.
2 And also, they offered a very fair switch-sharing
3 arrangement, the cost per minute for the calls
4 and so forth were very fair so it was only
5 logical and feasible to just have the switch
6 sharing arrangement rather than having a switch
7 of our own.

8 MR. LARSON: That's all I have.

9 MR. REIDELER: I have no further
10 questions.

11 MR. WEBER: Nothing further.

12 MR. SALPETER: TDS has no questions at
13 this time.

14 (Whereupon, at 11:15 a.m., the taking
15 of the instant deposition ceased.)
16

17 _____
18 Signature of the Witness
19

20 SUBSCRIBED AND SWORN to before me this _____
21 day of _____, 19__.

22 _____
23 _____
24 NOTARY PUBLIC

25 My Commission expires: _____

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NOTICE REGARDING SIGNING DEPOSITION TRANSCRIPT
ORIGINAL DOCUMENTS ENCLOSED

DATE: 05/15/95
Case Name: In Re: Ellis Thompson Corporation
Dep. Date: 05/12/95
Deponent: Ellis Thompson
Place: Washington, DC

ENCLOSURES: Original Transcript
Errata sheet to be completed

Instructions:

1. The witness should review the deposition transcript and sign the original where indicated in the signature block on the last page of the transcript; this transcript must be signed before a Notary Public.
2. The corrections to the transcript must be made in ink on the errata pages provided; all completed errata pages must be signed by the witness. It is important that the witness use the errata pages rather than making corrections directly to the transcript pages.
3. You are reminded that pursuant to the Federal Rules of Civil Procedure and applicable state court rules, the witness has thirty days from receipt of the transcript to read and sign it. The signed transcript and any errata pages must be forwarded to the attorney who took the deposition as listed below. A method of delivery which provides the sender with proof of delivery should be selected.

RETURN ENCLOSURES TO:

*By copy of this form to the Attorney who took the Deposition, we are returning any Original Exhibits previously retained by the court reporter.

Stuart Feldstein, Esq.
Fleischman & Walsh
1400 16th Street, N.W.
Suite 600
Washington, DC

ERRATA SHEET FOR THE TRANSCRIPT OF:

Notice Date: 05/15/95
Case Name: In Re: Ellis Thompson Corporation
Case Number: 14261-CL-P-134-A-86
Dep. Date: 05/12/95 / / / /
Deponent: Ellis Thompson
Place: Washington, DC

CORRECTIONS:

Page	Line	Now Reads	Should Read	Reasons Therefore
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Signature of Deponent

Date of Signature

AGREEMENT

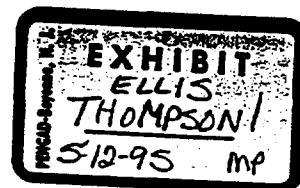
Agreement dated this 30th day of December, 1987, between Amcell of Atlantic City, Inc., a New Jersey corporation ("Amcell") having principal offices at Bayport One, Suite 400, Verona Boulevard, West Atlantic City, New Jersey 08232 and Ellis Thompson and Ellis Thompson Corporation (collectively, "Licensee") with an address at 5406 North Missouri Avenue, Portland, Oregon 97217.

Whereas, Licensee is the tentative selectee for the grant of authority by the Federal Communications Commission ("FCC") to construct a cellular communications system operating on Frequency Block A to serve the Atlantic City, New Jersey Metropolitan Statistical Area (herein the "System"); and

Whereas, Licensee is a signatory to the settlement agreement with Cellular Management Services, Inc. (herein the "Settlement Agreement"), which agreement grants to the other parties to the Settlement Agreement up to a 49.99% interest in the entity which owns the System; and

Whereas, Licensee is desirous of entering into arrangements for the construction of the System and, after construction is completed, for obtaining switching services and maintenance services from Amcell; and

WHEREAS, Licensee is further agreeable to furnishing and making available to Amcell after construction of the System is completed cellular radio service on the terms and conditions herein contained.



Now, therefore, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

I. Construction:

1.1 Subject to Licensee's oversight and review and as set forth hereinafter, Amcell shall manage and supervise the initial construction of the System in accordance with the outline system configuration set forth on Schedule A hereto provided, however, the description of the design and specifications for the System as shown on Schedule A shall be modified immediately prior to commencement of construction of the System to account for any requirements imposed by the FCC and to assure that the System employs best available technology at the time construction begins for providing Service to customers (the "Outline System Configuration"). Amcell shall devote such time and resources to construction of the System as are necessary to assure the proper and expeditious completion of the system construction and shall make available to the System the full range of its expertise and experience in constructing cellular systems.

1.2 Licensee shall take all reasonable and appropriate steps (i) to obtain from the FCC the Construction Permit, and (ii) to protect the Construction Permit, including, but not limited to, satisfying all conditions of the Construction Permit, and responding fully to any and all FCC inquiries, proceedings, or adversarial pleadings of whatever nature filed with respect to the Construction Permit.

1.3 Within ninety (90) days of the Grant of the Construction Permit by the FCC for the System, Amcell shall prepare and present to Licensee (i) the Design in reasonable detail based on the Outline System Configuration, and (ii) the Budget.

1.4 Within ten (10) days of receipt of the Design and the Budget, Licensee shall either approve the Design and Budget or advise Amcell of specific items not approved by it. At the request of Amcell, Licensee shall provide within ten (10) days of such request detailed engineering or other substantiation for the basis of any specific items not approved. Licensee and Amcell agree to promptly and diligently use their best efforts to resolve all items not approved by Licensee, and in the event such items cannot be resolved, to share the cost of obtaining the opinion of a professional engineer to resolve such open items. It is agreed that James Audet is an acceptable professional engineer for this purpose. Such professional engineer shall be instructed to submit its report and opinion within forty-eight (48) hours of receipt of the request.

1.5 Promptly upon receipt of Licensee's approval of the Design and the Budget, Amcell shall undertake the commencement of the construction of the System in accordance with the Design and the Budget. Subject to Licensee's continuing oversight and review, Amcell shall be responsible for the management and supervision of all activities integral to the construction of the System, including, but not limited to, and subject in each instance to obtaining any necessary FCC approvals, the following:

(i) developing in reasonable detail and to the extent appropriate in the light of the size and configuration of the System, the System Design, including, but not limited to, development of a cell configuration, formulation of a frequency plan, brief analysis of propagational characteristics, tentative projection of the probable volume and location of demand, tentative allocation of system capacity, and selection and (upon design approval) acquisition as agent for Licensee of sites for control point, if required, and base stations;

(ii) upon approval of the Design by Licensee, negotiating as agent for Licensee, such purchase agreements, leases and/or contracts, and/or securing such additional third party consents as Licensee may approve in the Design and as may be necessary to permit the full use of the control point and base station sites selected;

(iii) securing, as Licensee's agent, such zoning or other necessary governmental approvals as may be required to permit the use of the control point and base station sites selected and acquired;

(iv) preparing proposed modifications to the Construction Permit for Licensee's review, approval, and execution and, as agent for Licensee, filing such modification applications and securing FCC approval thereof, and securing as agent for Licensee such FAA approval as may be required for tower and antenna placements and heights;

(v) control point and base station site preparation, including construction and modification of radio towers and

buildings to house switching and base station equipment, construction and improvement of access roads, and installation of such security facilities as may be necessary to meet FCC or vendor requirements;

(vi) installation of base station equipment and such other facilities as may be necessary or appropriate to the operation of such equipment and the System or, to the extent appropriate to or required by the approved Design, the negotiation and execution as agent for Licensee of such agreements as are necessary to obtain use of any other existing or planned cellular system; and

(vii) subject to Licensee's review, approval and execution, completing and filing any applications necessary to obtain the Operating License from the FCC.

1.6 It is agreed that the System shall be constructed with equipment manufactured by Motorola, Inc. in order to achieve maximum operating efficiencies and interconnection capabilities with surrounding systems. Amcell agrees to negotiate and complete, as agent for Licensee but subject to supervision and final approval by Licensee, such equipment purchase and financing agreements as may be necessary to construct the System.

1.7 Amcell shall, subject to the supervision and final approval of Licensee, negotiate such interconnection agreements as may be desirable and shall implement such interconnection.

1.8 The Budget shall set forth in reasonable detail all costs related to the construction of the System as set forth in the Design. Amcell agrees to cause the System to be constructed in accordance with the Design and at a cost not exceeding that set forth in the Budget. Amcell guarantees that the Budget,

excluding Amcell's construction project fee as set forth in Section 1.10 below, will not exceed \$1,250,000 to complete construction of the System in accordance with the Design. Any costs in excess of \$1,250,000 to complete the System in accordance with the Design and make the System fully operational will be borne by Amcell. Licensee acknowledges that the Design contemplates four (4) cell sites using existing towers and buildings and that the limitation of the Budget provided for herein does not apply to the additional costs that will be incurred if existing towers or buildings are not available. The parties hereto agree that ~~financing to construct~~ ^{non-monetary} the system shall be sought from the vendor or other available sources on terms substantially similar to financing obtained for other cellular systems constructed in the Middle Atlantic states and at prevailing interest rates for this type of financing.

1.9 The parties agree that it is in the best interests of the System, the owners of the System and Amcell that the System be designed and constructed in an expeditious manner and the parties hereto agree to use their best efforts to design and construct the system as quickly and expeditiously as possible.

1.10 For the services provided by Amcell hereunder, Amcell shall be reimbursed for all of its Out-of-Pocket Expenses and shall be paid a construction project fee equal to 10% of the total cost of constructing the System. The fee shall be provided for in the Budget. The costs of the services of Amcell's principal executive officers in providing management and supervisory functions with the exception of such Out-of-Pocket Expenses as travel, shall be included without additional expense

to the System. Such expenses and fee will be paid on a quarterly basis during the initial construction of the System. Amcell shall submit a statement showing in reasonable detail the calculation of the expenses and fee claimed for the prior quarter within 30 days of the close of the quarter.

II. Switching Services:

2.1 During the term provided in Section 5.2 of this Agreement, and subject to the terms and provisions hereof, Amcell agrees to provide all switching services to Licensee as may be necessary to operate the System and Licensee agrees to purchase all such services from Amcell.

2.2 Licensee agrees to pay to Amcell monthly for the switching services provided hereunder a sum equal to \$.05 (the "Switch Rate") times the aggregate number of minutes of usage of the switch by Licensee, including usage by its customers and wholesale distributors of service, including Amcell, during such month, in either event payable within 30 days after the end of each month. In the event Licensee's per minute charge to customers for Service during Peak Usage Period (the "Service Rate") is reduced to less than \$.30 per minute, the Switch Rate will be reduced to an amount equal to (a) \$.05 times (b) the Service Rate divided by \$.30. Licensee further agrees to pay to Amcell an amount equal to all costs incurred by Amcell directly and exclusively attributable to Licensee in connection with the provision of switching services hereunder.

2.3 Licensee shall pay, directly to the provider of the services, or to Amcell in the event the service is provided to or

AM 144267

by Amcell, the charges of all other carriers for the handling of all traffic on the System, including, without limitation, charges in connecting each cell site with the Switch and charges of all other telecommunications common carriers. All such charges shall be paid by Licensee promptly when due.

2.4 Amcell shall maintain the Switch good order and repair in accordance with industry standards and Amcell's maintenance policies during the term of this Agreement so as to provide switching services to Licensee in accordance with the terms hereof. Amcell will use its best efforts to maintain a busy hour grade of service during the Peak Usage Period no worse than P.05 between the switching office and the landline network. Amcell SHALL NOT BE LIABLE FOR ANY LOST PROFITS NOR FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES in connection with the switching services provided hereunder, or for any non-performance or delay caused by Act of God or other force majeure or event outside of control of Amcell.

2.5 Amcell has not made any representation or warranty, express or implied, as to the design or operation of the switch or as to the quality of the switching service provided thereon or any other representation or warranty whatsoever with respect to thereto.

2.6 Amcell agrees to provide to Licensee, by means of magnetic tape, on a monthly basis such information as Licensee may reasonably require as to usage of the System and usage of all other telecommunications common carriers for handling all traffic on the System and charges in connecting each cell site with the Switch, provided, however, Amcell shall not be required to